



Leading the Way

S&T Reinvention Laboratory Personnel Demonstration Projects

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Leading The Way

- **Lab Demo Authority**
- **Lab Demo Objectives**
- **Lab Demo Population**
- **Successfully Demonstrated Features**
- **Key OPM Evaluation Results**
- **Lessons Learned**
- **What's Next**



Lab Demo Authority

- **Section 342 of NDAA for FY1995**
 - Authorized SECDEF and OPM to establish personnel demonstration projects in S&T reinvention laboratories
 - Lab Demos are open ended
 - Do not expire after 5 years
 - No limit on the number of employees
- **Section 1114 of NDAA for FY2001**
 - Removed shared OPM authority
 - Permits SECDEF to interpret some HR rules

Authority to Experiment
Authority to Transform



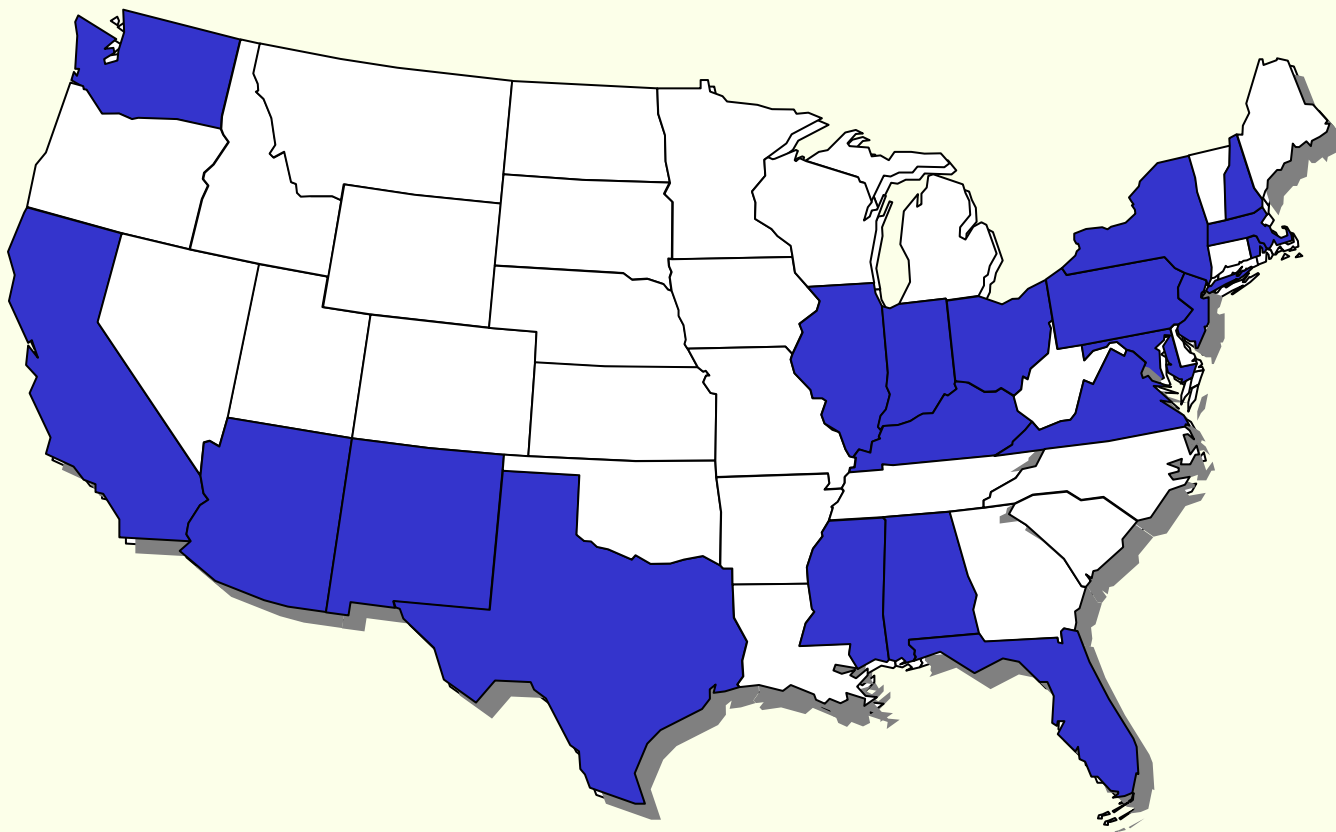
Lab Demo Objectives

- **Improve effectiveness of DoD laboratories through more flexible, responsive personnel system**
- **Increase line management authority over human resources management**
- **Recruit, develop, motivate, and retain a high quality workforce**
- **Adjust workforce levels to meet strategic program and organizational needs**

Improve Mission Capability Through A More Flexible HR System



Lab Demo Population



**More than 25,000 people
8 existing demos
2 additional demos awaiting approval**



Successfully Demonstrated Features

- **Pay for Performance**
- **Broadbanding**
- **Simplified job classification**
- **General increase at risk**
- **Delegated classification authority**
- **Delegated authority to determine pay**
- **Delegated authority to hire**
- **Elimination of high grade restrictions**
- **Guaranteed merit based promotions**
- **Extended probationary periods**
- **Distinguished scholastic achievement appointments**
- **Modified term appointments**
- **Voluntary emeritus corps**
- **Enhanced training and development**
- **Sabbaticals**



Key OPM Evaluation Results*

- **Laboratory Effectiveness**
 - Workforce quality increased
 - Workforce motivation increased
- **Line Management Authority**
 - Demonstrated effective local methods of setting pay
 - Classification authority effectively delegated to labs
- **Attract and retain a high quality workforce**
 - No change in quality of new hires
 - “Interventions in the staffing area have not made a significant impact.”
- **Workforce Shaping**
 - “No noticeable impact of the modified RIF procedures.”

Objectives Partially Met – Need to Expand Flexibilities

* *OPM Summative Evaluation 2002: DoD S&T Reinvention Laboratory Demonstration Program*



Lessons Learned

- **“Acceptance of new programs is higher when the interventions are designed locally to fit the organization’s mission and culture.”***
- **“Success was determined as much by the design and structure of the new HRM systems as the way they were implemented and managed.”***
- **Critical Success factors:***
 - Effective performance management practices
 - Communication
 - Training
 - Procedural Justice

** OPM Summative Evaluation 2002: DoD S&T Reinvention Laboratory Demonstration Program*



What's Next

- **Best Practices**
 - Lab Community will be first to implement Best Practices
 - Federal Register Notice released on 2 April 03
- **Laboratory Quality Enhancement Program (LQEP)**
 - Directed by USD(AT&L) to identify critical flexibilities required to attract and retain top-notch S&Es in DoD Labs
 - Flexibilities identified and under consideration for inclusion in Best Practices Framework